

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1054-01
Bill No.: HB 598
Subject: Education, Elementary and Secondary; Teachers
Type: Original
Date: May 24, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue*	(\$1,784,000)	(\$6,345,920)	(\$6,345,920)
Total Estimated Net Effect on <u>All</u> State Funds	(\$1,784,000)	(\$6,345,920)	(\$6,345,920)

* Subject to appropriation

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
School Districts	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Offices from the **Department of Elementary and Secondary Education (DESE)** provided the following assumptions:

- a) there 1800 new hires of teachers for special education classes each year (based on 20% turnover, DESE assumed 8800 FTE Special Education teachers);
- b) 528 are first time hires;
- c) 100 special education teachers are initially hired in districts with a five percent or greater shortage of certified teachers.

It should be noted that these calculations are estimates. If similar legislation comes up in the future, DESE will require more time to determine more accurate information.

Oversight assumes that the number of special education teachers eligible for the loan repayment program would be reduced by 20% each year due to turnover. Also, it is assumed that approximately 60% of the special education teachers have student loans. Based on those assumptions, the expenditures under the proposed legislation (subject to appropriation) would be:

FY 2002

528	FTE initially hired in districts	X \$3,000 = \$ 1,584,000
100	FTE initially hired in districts with shortage of certified teachers	X \$2,000 = \$ <u>200,000</u> \$ 1,784,000

FY 2003

4224	FTE Special Education Teachers	X \$1,080 = \$ 4,561,920
528	FTE initially hired in districts	X \$3,000 = \$ 1,584,000
100	FTE initially hired in districts with shortage of certified teachers	X \$2,000 = \$ <u>200,000</u> \$ 6,345,920

ASSUMPTION (continued)

FY 2004

4224	FTE Special Education Teachers	X \$1,080 = \$ 4,561,920
528	FTE initially hired in districts	X \$3,000 = \$ 1,584,000
100	FTE initially hired in districts with shortage of certified teachers	X \$2,000 = \$ <u>200,000</u> \$ 6,345,920

Officials from the **Secretary of State's Office (SOS)** assume the rules, regulations and forms issued by the Department of Elementary and Secondary Education and State Board of Education could require as many as approximately 14 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The actual costs could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE			
<u>Cost - Department of Elementary and Secondary Education - Loan Repayment Assistance Program/Hiring Bonuses*</u>	<u>(\$1,784,000)</u>	<u>(\$6,345,920)</u>	<u>(\$6,345,920)</u>

*** Subject to appropriation**

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
SCHOOL DISTRICTS			
<u>Income</u> - State Aid	\$1,784,000	\$6,345,920	\$6,345,920
<u>Cost</u> - Special Education Teacher Loan Repayment Assistance Program/Hiring Bonuses	<u>(\$1,784,000)</u>	<u>(\$6,345,920)</u>	<u>(\$6,345,920)</u>
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill creates two incentives for special education teachers. The first is a loan repayment assistance program for full-time certificated teachers who have declared an intent to teach handicapped or severely handicapped children or to provide special education services as defined by statute for up to 4 years. Teachers who lose their certification, quit, or are fired are ineligible and will lose a prorated share of assistance for the remainder of the year, but teachers who regain certification may have assistance reinstated. This program will begin July 1, 2002.

The second incentive is a one-time bonus of \$3,000 upon initial hiring for full-time teaching of handicapped or severely handicapped children or provision of special education services as defined by statute. The Department of Elementary and Secondary Education will provide funds to the district hiring the teacher from funds earmarked for the purpose. Special education teachers initially hired by districts that have a shortage of at least 5% of certificated personnel for special education are eligible for an additional \$2,000. The department is to develop criteria for determining which positions qualify for the bonus.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of Secretary of State

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive script.

Jeanne Jarrett, CPA
Director

May 24, 2001